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State of Wisconsin  
Governor Scott Walker



TO: **W-2 Agencies  
Training Staff**

FROM: Janice Peters, Director  
Bureau of Working Families  
Division of Family and Economic Security  
Department of Children and Families

**BWF OPERATIONS MEMO**

No: **BWF 14-19**

DATE: **10/24/2014**

W-2	<input checked="" type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	RAP	<input type="checkbox"/>	Other EP	<input type="checkbox"/> *

**SUBJECT: *USE OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)  
FUNDS AT SPECIFIC MERCHANT LOCATIONS***

**CROSS REFERENCE:** [DFES Administrator's Memo 14-04](#)  
[W-2 MANUAL, 1.4.6 REQUIRED W-2 FORMS AND](#)  
[PUBLICATIONS DURING THE APPLICATION PROCESS](#)

**EFFECTIVE DATE:** Immediately

**PURPOSE**

This memo includes communications to inform W-2 agency staff as well as W-2 applicants and participants of federally mandated changes regarding use of TANF cash assistance in prohibited locations. The communications include:

- 1) A new one-time participant notice;
- 2) A new participant flyer; and
- 3) An update to the W-2 Manual.

**BACKGROUND**

As described in Division of Family and Economic Security Administrator's Memo 14-04, Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 requires that the State of Wisconsin maintain policies and practices to prevent access of TANF funded assistance through electronic benefit transactions (EBT) in the following locations:

- Any liquor store;
- Any casino, gambling casino, or gaming establishment; or
- Any retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

The legislation defines electronic benefit transfer transaction as, "...the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service."

Most states issue benefits through a state-issued electronic payment card allowing for electronic or automated prevention measures to prevent TANF EBT transactions at the prohibited locations. In Wisconsin, most participants receive W-2 payments via checks mailed to their home, but are encouraged to consider the advantages of Electronic Funds Transfer (EFT) to their personal bank account or personal prepaid debit card.

Although Wisconsin does not issue TANF benefits through a state-issued EBT card or prepaid debit card, the Department must comply with the new federal legislation and proposed regulations released by the Federal Department of Health and Human Services (DHHS), Administration of Children and Families (ACF) or risk a significant reduction to the TANF block grant. Therefore, the Department has interpreted that the federal legislation may extend to all EBT transactions in the specific merchant locations, including those completed via personal prepaid debit cards. Thus, participants who elect EFT of W-2 cash benefits to a personal prepaid card are prohibited from accessing their benefits through any type of EBT transaction in liquor stores, casinos, and adult-oriented entertainment establishments.

## **POLICY**

Attached are the updates to policy implemented to prevent access of TANF funded assistance in the prohibited locations. The Department will mail a one-time notice to all current participants. A flyer distributed by the Financial and Employability Planners (FEP) during application will serve to notify all individuals who apply for W-2 of the restrictions. W-2 Manual Section 1.4.6 will be updated as presented in the attachment for the next W-2 Manual release to reflect that the review of the flyer is now a required component of the application process and eligibility review. Underlined text will be added while no text will be deleted.

While there are no other policy changes to W-2 Manual Section 1.4.6; the language was revised for clarity purposes only.

## **COMMUNICATION PLAN**

### One-Time Notice to W-2 Participants

The Department will mail the attached one-time notice to all current W-2 participants to provide information about the TANF benefit restrictions at prohibited locations. The notice will include all individuals eligible for W-2 in the month of October but not yet placed, and anyone who is in a placement after October 1, 2014. The notice will be generated in English, Spanish and Hmong depending upon the language noted on the CWW General Case Information page. When the notices have been mailed, a DXBM (broadcast message) will be produced in CARES.

### Flyer for Distribution to W-2 Applicants (DCF-P-2497)

In addition to the one-time notice, FEPs must distribute the attached flyer detailing the TANF funded benefit prohibitions to all individuals who apply to W-2 beginning with the effective date of this memo. The purpose of the flyer is to ensure that each W-2 applicant and participant is

informed of the TANF benefit restrictions. The flyer is now required as part of the application and eligibility review processes and will serve to facilitate conversations about responsibility for compliance with the federal regulations. The flyer will be available in English, Spanish, and Hmong.

### ***ACTION REQUIRED***

W-2 agencies must ensure that FEPs distribute the new flyer, available in English, Spanish or Hmong, as part of the application and eligibility review processes beginning with the effective date of this memo and discuss the information to be communicated to participants regarding the prohibited locations and transactions with staff to ensure clarity and accuracy.

### ***ATTACHMENTS***

[One-Time Notice to W-2 Participants](#)

[Participant Flyer](#)

[Updated W-2 Manual section 1.4.6 Required W-2 Forms and Publications During the Application Process](#)

### ***CONTACTS***

For W-2 Policy Questions in the Balance of State: Bureau of Regional Operations, W-2 Regional Coordinators

For W-2 Policy Questions in Milwaukee: Milwaukee Operations Section Regional Administrators

For W-2 CARES Processing Questions: W-2 Help Desk

DCF/DFES/BWF/LW